

**SECRET**

ENG M60- 864

27 OCT 1960

Chief, Procurement Division, OL

ATTN : Contract Administration Branch

Chief, Engineering Staff, OC

**CONFIDENTIAL**Contract [ ] Task Order 1,  
Termination of ContractPlease Return To  
Engineering Staff

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1. Under the terms of Contract [ ] Task Order 1, [ ]

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[ ] had developed a series of transmitter modules for this Staff. Complete delivery of the prototypes of this equipment was made in August 1960. These prototypes were evaluated and found to be unsatisfactory. A final inspection report, a copy of which is attached, is submitted indicating that the performance on this task is unsatisfactory.

2. It is felt by this Staff that the primary reason for failure of this task is due to the lack of competent technical personnel on the project during the period of May 1957 to January 1960. In January 1960 the contractor increased the capability of his engineering staff and since that time work on other tasks (3, 4, 6, and 7) has improved considerably. Funds that were obligated in May 1957 for work under Task Order 1 were depleted in October 1959. Since that time the contractor has completed the task without additional funds.

3. Correction of the deficiencies found in the transmitter modules would be expensive work amounting to virtually a complete redesign. Also, because the state-of-the-art in this field has advanced considerably during the course of the task, it is our considered opinion that further expenditures on this specific task are not justified.

4. Accordingly, it is requested that action be taken to terminate Task Order 1 of Contract [ ] For additional information regarding this task, please contact [ ] Extension [ ]

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DOC	9	REV DATE	11 MAR 1960	BY	064540
ORIG COMP	033	OPI	56	TYPE	02
ORIG CLASS	3	PAGES	1	REV CLASS	C
JUST	22	NEXT REV	2010	AUTN:	

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## Attachment:

1) Final Inspection Report

## Distribution:

Orig. + 1 - Addressee w/attach.

1 - R+D Subject File w/o attach.

1 - Inspection Branch, [ ] w/attach.

1 - OC-E Chrono w/o attach.

1 - EP Chrono w/o attach.

OC-E/R+D-EP/CWS:eam

(19 Oct. 1960)

REWRITTEN: CWS:maf

(24 Oct. 1960)

**CONFIDENTIAL**